The Public Trustee

Annual Report
2004 - 2005

Manitoba

106-01428/

ATTORNEY GENERAL
MINISTER OF JUSTICE

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard
Lieutenant-Governor of Manitoba

MAY IT PLEASE YOUR HONOUR:

It is my privilege to present for the information of Your Honour the Annual Report of The Public Trustee for the fiscal year ending March 31, 2005.

Respectfully submitted,

Honourable Gord Mackintosh
Minister of Justice
Attorney General

Manitoba

Deputy Minister of Justice
and Deputy Attorney-General

Room 110
Legislative Building
Winnipeg MB R3C 0V8

The Honourable Gord Mackintosh
Minister of Justice
and Attorney-General
104 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister:

I am pleased to submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2005.

The results of the 2004/2005 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of The Public Trustee and encouraged by the ongoing commitment of its employees.

All of which is respectfully submitted,

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2005.

Yours truly,

M. ANNE BOLTON, Q.C.
Public Trustee

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

Message from The Public Trustee

I am pleased to present the Annual Report of our activity and achievements during 2004/ 2005. Since 1973, our organization has been serving the needs of Manitobans who require our assistance. This year saw some significant changes for our office.

A move to new premises for our Winnipeg Office has provided a better working space for staff and a more welcoming service area for clients. Our Brandon Office continues our mandate of serving clients in Western Manitoba from that location.

Long awaited amendments to *The Public Trustee Act* have clarified The Public Trustee's responsibility for certain types of deceased estates and redirected energies for more efficient resolution of substantive estate issues. The continuing program and policy development in Client Administration in areas of client budgeting, encroachment approval, and systems enhancements have allowed us to pursue our mandate of increasing quality service to Manitobans.

I wish to acknowledge the energy and commitment of our staff who direct their energies to the operation of The Public Trustee. Their dedication reflects of our spirit of respect for public service. Together we work to serve the clients, estates and children who need us.

I also acknowledge the contribution of our Advisory Board members who review our operation, activities and financial statements on a quarterly basis. The guidance and wisdom imparted by those members offers us significant support.

M. ANNE BOLTON, Q.C.
Public Trustee

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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee provides services for a fee to the people of Manitoba in accordance with its statutory mandate. The Office of The Public Trustee operates with a high level of accounting, legal and professional expertise, which is necessary for the management of approximately 5,366 files. Assets under administration are currently valued at approximately $177 million.

THE MISSION OF THE PUBLIC TRUSTEE IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- our service is client focused;
- our service is cost effective;
- services that must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of The Public Trustee's operation.

STATUTORY MANDATE

The Public Trustee is statutorily mandated to provide the following services to Manitobans:

a) Acts as Committee for mentally incompetent persons under the provisions of *The Mental Health Act*;

b) Acts as Substitute Decision-Maker for adults living with a mental disability under the provisions of *The Vulnerable Persons Living With a Mental Disability Act*;

c) Gives or refuses consent to psychiatric treatment for mentally incompetent patients who cannot give or refuse consent themselves, and who have no other proxy or relative able to consent;

d) Acts as Official Administrator for the province;

e) Acts as Official Guardian for the province;

f) Acts as litigation guardian for children and mentally incompetent persons who have no one else competent to represent their interests;

g) Administers trust funds for children and adults with mental disabilities;

h) Reviews all infant (children's) settlements;

i) Reviews all applications for private committeeship.

OTHER SERVICES

The Public Trustee has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of $250,000.00 or less, and who require assistance administering their financial affairs.

THE PUBLIC TRUSTEE ADVISORY BOARD

The Public Trustee provides a business plan and quarterly reports to its Advisory Board. The Board was established by The Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Deputy Minister. The Board meets quarterly to provide advice to The Public Trustee on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Bruce A. MacFarlane, Q.C. Deputy Minister Justice	
MEMBERS	Mary Miles Special Advisor to the Deputy Minister Justice	ex officio
	M. Anne Bolton, Q.C. Public Trustee	ex officio
	Dave Sallans Chief Financial Officer Public Trustee	ex officio
	Doreen Kelly General Counsel The College of Physicians & Surgeons of Manitoba	Private Sector Representative
	John Elcomb Regional Senior Manager CIBC Trust	Private Sector Representative
	Carol Renner Project Manager Department of Health	Client Representative
	Gisela Rempel Assistant Deputy Minister Services for Persons with Disabilities, Employment and Income Assistance Department of Family Services & Housing	Client Representative
	Brian Stephenson Inspector Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The Public Trustee has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued on behalf of its clients, or the trusts and estates which it administers. *The Public Trustee Act* requires that the Auditor General audit the books and accounts of The Public Trustee. As well, the Act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Since its inception, The Public Trustee has charged fees for its services in order to meet its salary and operating expenditures.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The Public Trustee commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The Public Trustee had been operating on a full cost recovery (revenue) basis. The advantages of SOA status have assisted The Public Trustee to increase service. These advantages include:

- the flexibility to hire staff as required to provide service levels appropriate to the fees charged;
- the ability to carry forward surpluses to subsequent years;
- the ability to plan on a long-term basis.

The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted The Public Trustee in increasing the quality of services to its clients.

The Public Trustee remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational and financial performance. The Public Trustee operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to The Public Trustee's assets, provides financing for operations and is responsible for The Public Trustee's liabilities. Accountability is supported by The Public Trustee's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act.*

The Public Trustee's staff are assigned in 6 distinct sections:

Administration:

This section is composed of The Public Trustee who administers the entire program, and:

- Internal Auditor (1 - permanent)
- Systems Analyst (1 - term)
- Administrative Assistant (.5 permanent)

Client Administration:

This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of:

- Deputy Public Trustee (1 - permanent)
- Client Administration Officers (13 - permanent)
- Administrative Assistants (10.5 - permanent) (1 term)
- Administrative Assistants (1.5 - term)
- Deceased Estates Clerk (1 - permanent)

The Brandon office is composed of:

- Client Administration Officer (1 - permanent)
- Administrative Assistant (1 - permanent)
- Clerk (.25 - term)

Estates and Trusts Administration:

This section administers deceased estates, and adult and children's trusts. This section is composed of:

- Manager, Estates and Trusts (1 - permanent)
- Estates Officers (5 - permanent)
- Administrative Assistants (3 - permanent)
- Trust Administration Clerk (1 - permanent)

Financial Administration:

This section manages:

1. The financial administration services for all clients, estates and trusts;
2. The Common Fund; and
3. The revenues and operating budget of the office.

This section is composed of:

- Chief Financial Officer (1 - permanent)
- Senior Accountant (1 - permanent)
- Accountant (1 - permanent)
- Investment Officer (1 - permanent)
- Senior Systems Analyst (1 - permanent)
- Senior Application Developer (1 - permanent)
- Accounting Staff (14 - permanent)
- Accounting Staff (1.5 - term)

Legal:

This section provides:

1. The necessary legal representation for clients, estates, and trusts;
2. Ensures the protection of rights and assets;
3. Fulfills statutory duties as required;
4. Provides advice to the Court as required; and
5. Provides advice to The Public Trustee.

This section is composed of:

- Senior Counsel (1- permanent)
- Legal Counsel (2 - permanent)
- Administrative Assistants (2 - permanent)

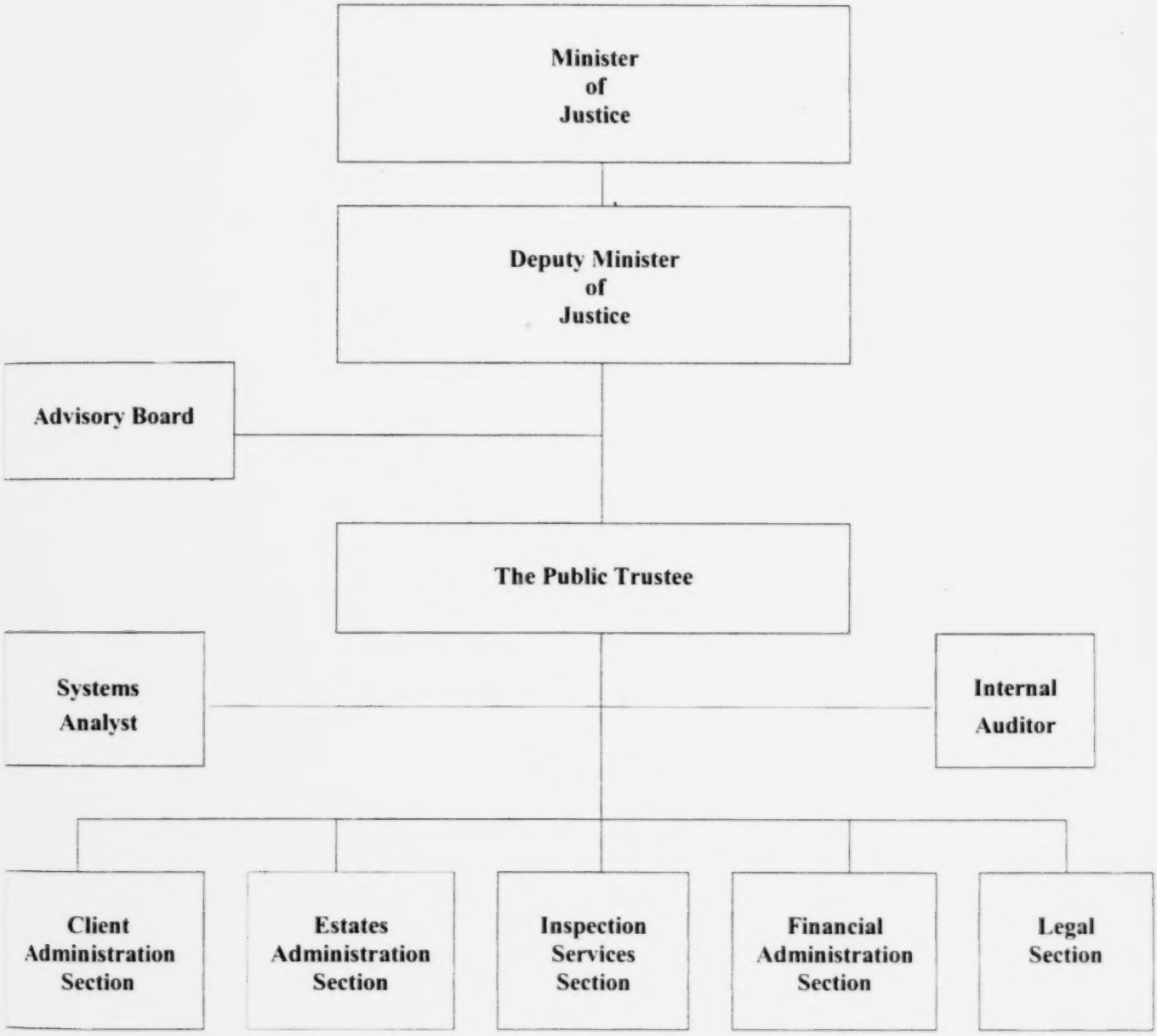
Inspection Services:

This section provides all field services for clients, estates and trusts. The section is composed of :

- Manager, Inspection Services (1 - permanent)
- Inspectors (3 - permanent)
- Chattel Clerk (1 - permanent)

Each of the section Managers are part of the management team and all report to The Public Trustee. As well, the Internal Auditor and the Systems Analyst report to The Public Trustee.

The Public Trustee Organization



PERFORMANCE REVIEW

The long-term goals identified in the Business Plan are:

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - administering the estates, and where required making personal decisions, on behalf of people who are not mentally capable of doing so;
    - administering the estates of people who have granted a Power of Attorney to The Public Trustee;
    - administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
    - supporting all of these functions with legal, financial and accounting expertise;
    - fulfilling additional roles pursuant to legislation or as ordered by the Court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office.

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in the functional areas of the office.

4. To improve communication with all individuals and agencies who have contact with the office.

5. To recover the full cost of operations from fees.

BUSINESS PLAN GOALS:

1. **To continue regular education seminars throughout the province to provide information about the Office of The Public Trustee, its relevant legislation, and certain relevant topical areas.**

   In order to fulfill this commitment, four (4) quarterly seminars were held. The seminars were held in Brandon (1), Beausejour (1) and Winnipeg (2). The session in Brandon was given in conjunction with the Office of The Vulnerable Persons' Commissioner and the Department of Family Services and Housing. The final seminar in Winnipeg was given in conjunction with the Winnipeg Regional Health Authority.

   The Public Trustee utilized its seminar effectiveness evaluation forms with a view to collating information received at the seminars. Please see Pages 19 and 20 for this Public Education Effectiveness Assessment.

2. **To target greater cost recovery for Deceased Estates.**

   The Public Trustee's costing analysis showed that the net cost for the Deceased Estates Section improved from a loss of $220,000.00 for the year ended March 31, 2003 to a loss of $45,000.00 for the year ended March 31, 2004. This very substantial improvement was in large part due to changes in fee structure and a general improvement in revenues generated by the section. Due to the improvement, it was decided that no additional changes were required at this time, but that this issue would be monitored to ensure that the net costs for the Deceased Estates section remain reasonable.

3. **To move premises from 405 Broadway to 155 Carlton Street without any major disruption in service to clients or estates and trusts administration.**

   As a result of monumental effort by our staff to coordinate the move and the able assistance of the Department of Government Services, the transition to new premises proved successful on all fronts. Client service, including the issuance of cheques and cash, suffered no disruption whatsoever. The move prompted a huge cleanup and re-organization of paper files and client chattels.

   The new premises are better designed to meet our operational needs in Winnipeg. That factor, combined with fresh decorating, provided a substantial morale boost for staff.

4. **To set service standards for Inspection Services.**

In September 2004, we completed design of our service standards for the Inspection Services Section. The standards include:

- Search and inventory timelines;
- Completion of billings and chattel instruction forms;
- Timelines for responding to correspondence including e-mails and faxes; and
- Timelines for acknowledging telephone messages and returning telephone calls.

5. **To review Client Administration caseloads with a view to increasing service in the Vulnerable Persons Unit and to convert the present junior position in the Vulnerable Persons Unit from term to permanent status.**

Treasury Board approved the conversion of this one term FTE to regular status. This resulted in no change to our total staff complement of 76.2 FTEs.

It did, however, assure staff working in our Vulnerable Persons Unit that the caseload of approximately 1,200 would be shared between four, rather than three officers, resulting in a case management distribution of 300 per officer. This reduction in caseload allows each Client Administration Officer to provide a higher level of service to each client by spending more time attending to each client's needs.

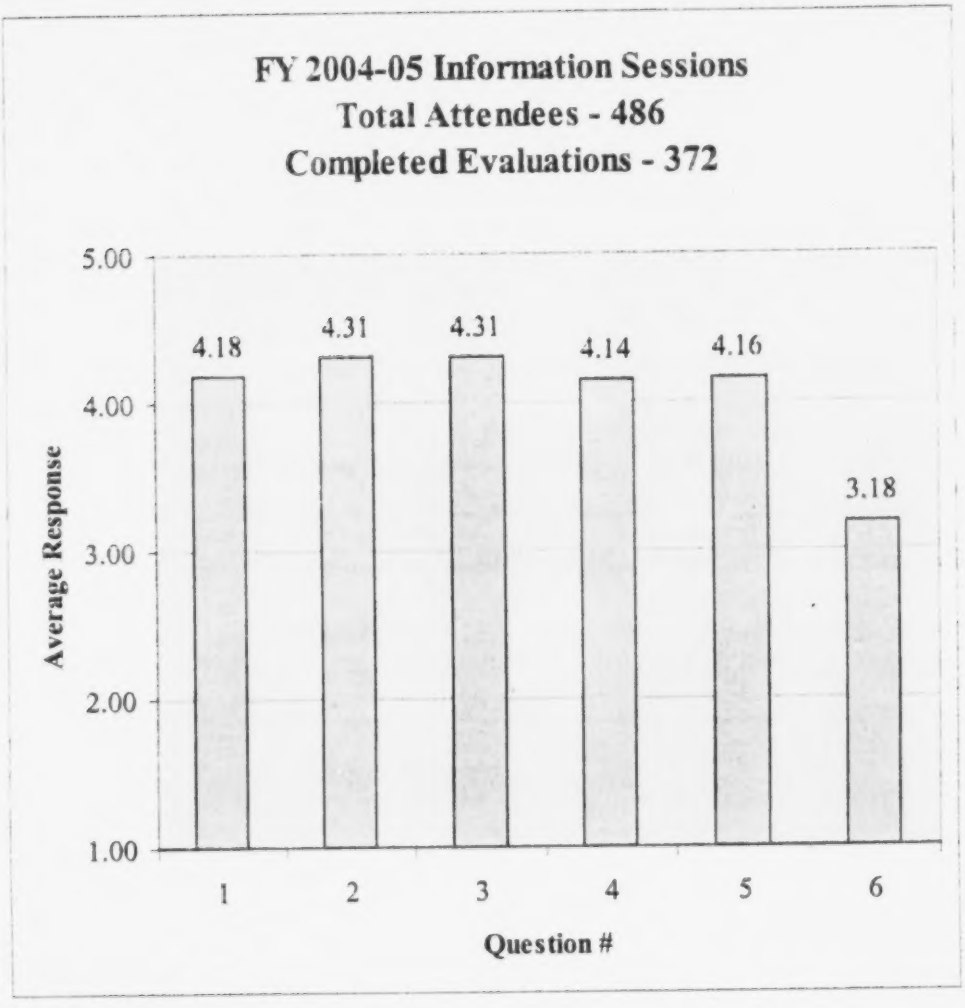
PUBLIC EDUCATION EFFECTIVENESS ASSESSMENT

As indicated above, four (4) large public education seminars were held during the year. Participants in the seminars were asked to evaluate the presentation. The data from the questionnaires was analyzed to provide an objective assessment of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of the seminars.

The participants were asked to rate various aspects of the seminars, including the quality of the presentations, materials and locations. The participants were asked to use ratings from 1 to 5, with 1 showing the lowest level of satisfaction, and 5 showing the highest level. A summary of the average rating for each seminar is as follows:

Date	Location	Number of respondents	Average Rating out of 5
June 23, 2004	Brandon	58 of 74 attendees	3.63
October 13, 2004	Winnipeg	127 of 140 attendees	4.19
November 24, 2004	Beausejour	61 of 119 attendees	4.29
March 9, 2005	Winnipeg	126 of 153 attendees	4.44
Total		**366 of 443 attendees (83%)**	**4.16**

Strongly Agree



Strongly Disagree

Questions:

1. I received the information I needed on the topic of the seminar
2. The information was provided clearly and in an understandable manner
3. There was sufficient opportunity for me to ask questions
4. My questions were answered clearly and to my satisfaction
5. The format of the informational session met my needs
6. The room set up/physical location was conducive to learning

DEPARTMENTAL ACCOMPLISHMENTS:

Client Administration Accomplishments 2004/2005

1. Shopping Pilot Project

During the year, a pilot project was initiated to provide shopping services for clients in developmental centres who were unable to use their own funds to purchase goods, such as comforts and clothing, for themselves. In many cases, there was no service available to assist these clients to purchase items to enhance the quality of their lives. The result was that these clients were unable to benefit from their own resources.

For the purposes of the shopping pilot project, an existing staff member from the Client Administration Section was reassigned on a part time basis to identify needs and make appropriate purchases on behalf of individual clients. During the year, the shopper purchased goods or services valued at approximately $78,500.00 for clients from their own resources. Had this service not been available to these clients, the funds would have been refunded to Employment and Income Assistance as excess resources, and the clients would have received no benefit whatsoever.

As the pilot shopping project was sufficiently successful, it was incorporated as a short term business plan goal for 2005/2006.

2. Speaking Engagements

The provision of information to the public regarding the role and function of The Public Trustee continues as an important function of the office. To that end, four large seminars were held during the year. Two seminars took place in Winnipeg, with 140 and 153 attendees respectively. Two smaller seminars were held outside of Winnipeg, with 74 attendees in Brandon, and 119 attendees in Beausejour. The Public Trustee will continue to hold four large seminars per year in various regions of the province, on various relevant topics.

In addition, smaller presentations continue to be made at the request of agencies, service groups and various government departments. Presentations were provided to the following organizations and groups:

Westman Parklands Abilities Spring Forum (Brandon)	40 attendees
Council of Women Life Members' Association	20 attendees
Law Society of Manitoba– Law at Lunch Program	50 attendees
Riverview Health Centre Staff	40 attendees
St. Amant Centre Conference	50 attendees
Selkirk Mental Health Centre Question Forum	30 attendees
Faculty of Social Work/University of Manitoba	12 attendees
Manitoba Health Mental Health Review Board Members	27 attendees
Cambrian Credit Union Staff	25 attendees
Health Sciences Centre STEP Program Staff	18 attendees
Western Bar Association members	7 attendees

Estates & Trusts Accomplishments 2004/2005

1. File Reviews

The Manager, Estates & Trusts met with each Estates Officer on a monthly basis to discuss progress on one third of each Estates Officer's files. This ensured adherence to service standards, policies and procedures.

2. Caseload

Notwithstanding some changes in staff personnel, the Estates and Trusts Section managed to reduce their caseload by the end of this fiscal year. In March 31, 2004, the caseload was 391 whereas at March 31, 2005, it was 384.

3. Heirship Billing

Heirship billing for 2004/2005 amounted to $121,713.00 for a total of 1,622.8 hours. Heirship billing for the proceeding fiscal year amounted to 800 hours. This represents an improvement of 102.9%. A portion of this increase may be due to changes in timing of billings.

Financial Administration Accomplishments 2004/2005

1. Expected Receipts

The Expected Receipt system was implemented in 2004/2005. This system will track all receipts for individual clients to ensure that clients receive the correct amounts. Work continues to complete the investment component for the Expected Receipt system. This new component will ensure that investment income is appropriately tracked and controlled in the same manner that other income sources are controlled.

2. PCs For All Public Trustee Staff

The rollout of an additional 12 PCs finished the project to provide all staff with a PC. This improves the communications within the office (universal e-mail) and allows all staff the benefits of text processing and spreadsheets where required.

3. Upgrades to Staff PCs and Client Photos on CD

The project to upgrade the memory in all PCs was completed and CD-ROMs were installed in all officer's PCs to facilitate the new client photo routines. This change involves the use of digital cameras by the Inspection Services Section to provide necessary client photos to administrative sections. The digital photos are stored on and viewed from CDs, making this process more efficient and useful.

4. Forms Management

Work continued on development of electronic based forms for use by Public Trustee staff, as well as on updating and improving the method of using Public Trustee form letters. This was expanded to include the Trust and Legal Sections. This will continue to improve the control and efficiency of these processes.

5. System Issues Relating to Desktop and Other Initiatives

Considerable time was expended on system issues involved with Provincial initiatives concerning centralization of desktop servers, information and technology restructuring and a refresh of the agency's desktop PCs, scheduled for early in the next fiscal year. This work was essential to ensure the successful transition of all of the systems used by the staff of The Public Trustee.

6. Main Frame Enhancements

Enhancements were made to add a month-end cheque routine that improved the ability of administrative sections to control allowance payments to clients. Changes were made to improve several processes in the Accounting Section concerning cheque requisitions, receipts and journal entries. These changes reduce the amount of time involved in preparing these entries.

7. Weekly Updates and Report Distribution

Changes were made to update Access applications from the Main Frame system on a weekly basis thus ensuring more timely and accurate data for these support applications. Changes were implemented to distribute reports from Access applications using e-mail rather than hard copy. This improves efficiency and saves printing costs.

Inspection Services Accomplishments 2004/2005

1. Safekeeping Room Facility

The new Manager, Inspection Services had the responsibility of organizing the Inspection Section and the safekeeping room within our new premises. As a result of the move to the new premises, responsibility for our safekeeping room and all associated chattels was transferred from the Department of Financial Administration to the Department of Inspection Services. This change represented a major assumption of responsibility for the section, and primarily for the Manager, Inspection Services.

In addition to her duties of assuring quality work by her section, the Manager is now responsible for the tracking of all items entering and leaving the safekeeping facility. The Manager's task of physically overseeing chattel deposit and removal from safekeeping and ensuring corresponding system updates consumes approximately 10% of her working hours. This system change has resulted in much greater efficiency in chattel management and has relieved the Financial Administration staff previously assigned to this task.

2. Conversion to Digital Photography

The section converted from film to digital photography during the fiscal year. The staff received necessary training to master the equipment and corresponding system changes were made. The new technology has decreased expenses for clients as well as improved efficiency in storing and recording of images.

Legal Accomplishments 2004/2005

1. Staffing Reduction and Reorganization

The former Senior Legal Counsel retired on December 31, 2004. Senior Legal Counsel had given instructions on all legal files as well as supervising lawyers and carrying his own caseload. The section was restructured in the following ways:

a) A junior lawyer was hired;
b) Some of the Senior Counsel's functions (giving instructions on routine matters and file assignments, and billing approval were assumed by the new Senior Legal Counsel); and
c) The Public Trustee and the Deputy Public Trustee now give instructions to Counsel on all client, estate and trust files. This is more appropriate as those parties represent the actual clients, estates and trusts whose affairs are administered by The Public Trustee.

2. Legislative Changes

The Public Trustee was successful in the acceptance of its legislative proposal to repeal section 4 of *The Public Trustee Act*. We expect the repeal of this section will reduce the amount of time The Public Trustee is involved in estates as litigation administrator. This does not represent any decrease in service to the public as most of those estates had few assets and administration proved fruitful to very few parties. These administrations were usually creditor driven. Now, The Public Trustee may be appointed litigation administrator by the Court, but only after The Public Trustee is served with a party's notice of intention to seek the appointment, and a subsequent Court hearing.

3. Public Education and Conference Involvement in Public Education

One of our Counsel attended the 2004 National Association of Public Trustee and Guardian Conference. Counsel gave a paper jointly with The Public Trustee on the scope of judicial review and decisions made by Committees and Substitute Decision Makers. Counsel also regularly takes part in a select number of quarterly seminars and speaking engagements.

STAFF TRAINING

Selected staff participated in varied training throughout the year including:

Non Violent Crisis Intervention	7 employees
Non Violent Crisis Intervention - Refresher Course	5 employees
Excel 97 - Level 1	3 employees
Excel 2000 - Level 1	1 employee
Word 1997/2000 - Level 1	3 employees
Accounting Seminar - Internal	3 employees
Communications Dynamics	1 employee
Mindful Care II - A Psychogeriatric Conference - Brandon, MB	1 employee
Worker's Compensation School - MGEU	1 employee
Effective Delegation	1 employee
Event for Judges and Juniors - Law Society of Manitoba	1 employee
Ryan Gateway Insurance Presentation - PT Blanket Insurance	22 employees
Expected Receipts Presentation - Internal	29 employees
Estate Administration Document Preparation - Law Society of Manitoba	3 employees
Renewal Planning	1 employee
The Spousal Support Advisory Guidelines - Law Society of Manitoba	1 employee
Aboriginal Culture Awareness Workshop	1 employee

INTERNAL AUDITOR REPORT

1. Compliance Audits/ File Reviews

Internal Audit conducted 95 file compliance audits/file reviews.

2. Safekeeping Controls

In 2003/2004, Internal Audit conducted a review of all procedures, controls and job duties of the Inspection Services Department. In 2004/2005, Internal Audit continued the audit to include a review of the procedures, controls and job duties connected to safekeeping and the handling of client owned firearms. This resulted in higher levels of control and record keeping. The new Manager of Inspection Services subsequently further refined controls and handling procedures.

3. INAC

Representatives of the office attended meetings that included representation from Manitoba Health, INAC, and Family Services to agree on jurisdiction and funding policy of both the per diem and residential charge portion of residential charges payable once a client is panelled. We believe that jurisdiction and responsibility has been established.

4. Monitoring of Client Balances

This year, the three projects carried out were:

1. The quarterly monitoring of balances of those clients receiving employment and income assistance;
2. A review of balance changes over a 12 month period for those clients with less than $10,000; and
3. A review of all client balances compared to their balance 12 months earlier.

The purpose of these audits was to investigate the source of asset increases or declines, and to ensure compliance with procedure as well as feasible budgets.

5. Performance Measurement

Over the past several years, the Office of The Public Trustee has been creating infrastructure to facilitate the collection of data required for performance measurement. Internal Audit continues to search for ways to present management with relevant and timely data required for performance measurement and subsequent decision making.

6. 2004/2005 Audit Plan Goals

Our Internal Auditor was on extended leave for a period of 4 1/2 months. As a result, some uncompleted projects scheduled in the 2004/2005 Audit Plan have been deferred to the 2005/2006 fiscal year. These projects include:

- 50% test of cheque disbursements in a given time parameter;
- Analysis of work team concept;
- Monitoring outstanding residential charges;
- Follow up Petty Cash audit; and
- Test of client budgets.

PUBLICATIONS

The Public Trustee has a number of publications available to individuals who come in contact with the office. All of these are available in bilingual format. They are:

1. **The Committeeship Guidebook (Bilingual)**

   - This booklet provides general guidance to private committees on their duties and responsibilities. It also provides examples of the required accounting as well as opening and closing inventories.

2. **The Public Trustee Fee Brochure (Bilingual)**

   - This brochure details the fees charged for the services provided by The Public Trustee.

3. **The Powers of Attorney Pamphlet (Bilingual)**

   - This pamphlet outlines The Public Trustee's services regarding powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

4. **Operation of Client Administration Section (Bilingual)**

   - This pamphlet provides details on how the officers will manage the personal and financial affairs of clients. It is presented in a question-and-answer format.

5. **Powers of Attorney Guidebook (Bilingual)**

   - This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors Directorate, Elder Abuse Resource Centre, Age and Opportunity. The guidebook is also available through The Public Trustee's Office.

6. **Deceased Estates (Bilingual)**

   - This is a detailed pamphlet in a question-and-answer format which outlines standard information regarding The Public Trustee's services in administering deceased estates.

7. **Children's Trusts (Bilingual)**

   - This is a detailed pamphlet in a question and answer format which outlines standard information regarding The Public Trustee's services in administering children's trusts.

The Public Trustee of Manitoba -
Section Activity for the year ending March 31, 2005

Trust and Estates Section

	2004	Files Opened in Year	Files Closed in Year	2005 End of Year
Assets under Administration * ($000's)	$ 62,030			$ 64,576
Number of Files				
Deceased Estates	391	111	118	384
Children's Trusts	1,175	173	161	1,187

Client Administration Section

	2004	Files Opened in Year	Files Closed in Year	2005 End of Year
Assets under Administration * ($000's)	$ 110,639			$ 112,650
Number of Clients	3,414	461	443	3,432

Legal Section

	2004	Files Opened in Year	Files Closed in Year	2005 End of Year
Number of Files at beginning of year	447	445	529	363

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2005

Financial Administration Section

Magnitude ($000's)	2004	2005
Total Assets under Administration *	$ 172,669	$ 177,226
Receipts for year	$ 141,361	$ 101,244
Disbursements for year	$ 141,316	$ 101,495
Total Accounts/Files	5,427	5,366
Total Financial Transactions	313,838	322,768

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SUMMARY OF FINANCIAL RESULTS
($000's)

	Actual 2003/04	Actual 2004/05	Budget 2004/05	% Variance
Total Income	**5,325**	**5,437**	**5,207**	**4.4%**
Salaries & Benefits	**3,729**	**3,688**	**3,850**	**<4.2.>%**
Employee Pension Costs	**167**	**162**	**205**	**<21.0>%**
Occupancy Costs	**279**	**298**	**298**	**0.0%**
Operating Costs	**775**	**866**	**858**	**0.9%**
Amortization: Furniture & Equipment	**39**	**34**	**35**	**<2.9>%**
Total Expenses	**4,989**	**5,048**	**5,246**	**<3.8>%**
NET INCOME (Loss)	**336**	**389**	**<39>**	

Variances: Total income was greater than forecast due to higher than expected asset growth during the year.

Salary costs were lower than forecast due to a reduction in staffing.

Employee pension costs are less than forecast due to pension credits received from the Province, which reduced the costs.

Operating costs are within acceptable variance.

Amortization costs are within acceptable variance.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2005

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 20, 2005. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2005 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 20, 2005

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2005

ASSETS

	2005	2004
Current		
Cash	$ 61	$ 20
Accounts receivable, net (Note 3)	768	736
Prepaid expenses	5	4
Short-term investments with Minister of Finance	1,380	1,180
	2,214	1,940
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	130	139
	$ 2,859	$ 2,594

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	$ 548	$ 655
Severance pay benefits (Note 16)	418	435
	966	1,090

EQUITY

Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,393	1,004
	1,893	1,504
	$ 2,859	$ 2,594

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2005

	2005	2004
Revenue		
Fees (Note 8)	$ 5,307	$ 5,195
Interest	28	27
Other	102	103
	5,437	5,325
Expenses		
Amortization of capital assets	34	39
Accommodation costs - Department of Government Services	298	279
Other administration expenses (Note 9)	866	775
Salaries and benefits	3,688	3,729
Employer pension costs	162	167
	5,048	4,989
Net Income (Loss)	389	336
Retained earnings, beginning of year	1,004	668
Retained earnings, end of year	$ 1,393	$ 1,004

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2005

	2005	2004
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ 389	$ 336
Items not involving cash		
Amortization of capital assets	34	39
	423	375
Change in		
Receivables	(32)	(17)
Prepaid expenses	(1)	1
Payables	(107)	134
	283	493
Investing		
Acquisition of capital assets	(25)	(75)
Financing		
Severance pay benefits	(17)	1
Net increase (decrease) in cash	241	419
Cash and cash equivalents		
Beginning of year	1,200	781
End of year	$ 1,441	$ 1,200
Cash and cash equivalents consist of:		
Cash	$ 61	$ 20
Short-term investments	1,380	1,180
	$ 1,441	$ 1,200

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2005

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, The Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances The Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists The Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to The Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity, The Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of *The Public Trustee Act*. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	-	20%, diminishing balance basis
Computer hardware and software	-	20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line basis

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

	2005	2004
Fees receivable	$ 773	$ 751
Allowance for doubtful accounts	(33)	(32)
	740	719
Interest receivable	4	3
Miscellaneous receivable	14	0
Advances to client accounts	4	8
Cost recoveries	6	6
	$ 768	$ 736

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for The Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of The Public Trustee.

5. Capital Assets

	2005		2004	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Furnishing & equipment	$ 274	$ 148	$ 251	$ 116
Computer hardware & software	72	68	70	66
	$ 346	$ 216	$ 321	$ 182
Cost less accumulated amortization		$ 130		$ 139

6. Accounts payable and accruals

	2005	2004
Operating expenses payable	$ 48	$ 136
Salaries & benefits payable	136	152
Vacation entitlements accrual	330	335
GST payable to Revenue Canada	34	32
	$ 548	$ 655

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2005.

8. Fees revenue

	2005	2004
Administration	$ 4,579	$ 4,469
Legal	294	248
Income tax	250	251
Inspection	184	227
	$ 5,307	$ 5,195

9. Other Administration expenses

	2005	2004
Computer expenses	$ 474	$ 433
Courier charges	5	5
Desktop costs	0	1
Insurance, loss, damage	41	16
Office supplies	60	39
Other	7	5
Personnel	13	16
Photocopy	13	16
Postage	51	52
Professional fees	30	30
Publications	4	5
Public communications	6	7
Records Centre Charges	17	17
Rentals, equipment	3	2
Repairs & maintenance	13	8
SAP costs	7	7
Support services - Department of Justice	21	22
Telephone	47	50
Travel	54	44
	$ 866	$ 775

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $231 annually to 2005/2006.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

12. Escheats to the Crown

Escheats to the Crown, received by The Public Trustee during the year and remitted to the Minister of Finance, amounted to $62 (2004 - $51). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2005 total approximately $177,000 (2004 - $172,000). The trust activities of The Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Public Sector Compensation Disclosure Act

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2005, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C.	Senior Legal Officer	$ 111
Beaman, Patrick	Estates Officer 3	53
Darrach, Bruce	Information Technologist 3	67
Drever, Bruce	Legal Counsel 3	140
Fergusson, John	Legal Counsel 2	105
Kihn, Shirley	Estates Officer 3	50
Knowlton, Joanna	Legal Counsel 3	108
Kozusko, Norman	Information Technologist 4	73
Mosley, James	Estates Officer 3	50
Sallans, David	Management Analyst 3	69
Samagalski, Michelle	Estates Officer 3	50
Shapiro, Laurie	Estates Officer 4	54
Taylor, Jana	Legal Counsel 1	54
Tessier, Rachelle	Estates Officer 4	53
Winning, Marla	Estates Officer 4	51

16. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance was completed as at March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2005 has been calculated to be $418 (2004 - $435).

17. Pension benefits

Employees of The Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Public Trustee transferred to the Province the pension liability for her employees.

Commencing April 1, 2001, The Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid for 2005 was $162 (2004 - $167).

The Public Trustee of Manitoba
Estates and Trusts
under Administration

Financial Statements
March 31, 2005

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 20, 2005. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To The Public Trustee of Manitoba

We have audited the balance sheet of The Public Trustee of Manitoba, Estates and Trusts under Administration, as at March 31, 2005 and the statement of cash receipts and disbursements for the year then ended. These financial statements have been prepared to comply with Section 19 of The Public Trustee Act. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Public Trustee, Estates and Trusts under Administration as at March 31, 2005 and the cash receipts and disbursements for the year then ended in accordance with the basis of accounting described in note 2 to the financial statements.

These financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Public Trustee and the Members of the Legislative Assembly for purposes of complying with Section 19 of The Public Trustee Act. The financial statements are not intended to be and should not be used by anyone other than those specified users or for any other purpose.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 20, 2005

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2005

ASSETS	2005	2004
Cash on hand and in bank	$ 656,206	$ 907,669
Investments - Common Fund (Notes 2(a) and 3)	129,235,753	127,860,592
- Specific Estates and Trusts (Notes 2(b) and 4)	37,343,573	32,226,232
Accrued interest receivable on common fund investments (Note 2(a))	2,169,974	2,166,522
Other assets at nominal value (Note 2(c))	1	1
	$ 169,405,507	$ 163,161,016
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee - Fees payable (Note 1)	24,665	26,698
- Expenditures payable (Note 5)	3,804	8,869
	28,470	35,568
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	105,642,888	101,941,792
The Public Trustee Act	63,734,149	61,183,656
	$ 169,405,507	$ 163,161,016

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2005

RECEIPTS	2005	2004
Funds held by estates and trusts brought under administration	$ 13,178,263	$ 12,957,303
Realization of equities in other estates	1,361,371	2,098,071
Pensions, compensation and assistance	27,078,922	27,165,545
Sickness, disability and other insurance benefits	5,105,856	4,683,268
Investment income	8,368,601	8,556,293
Sale of estate property	3,517,933	4,222,153
Collections on accounts receivable	1,588,111	1,531,797
Total receipts, before sale or redemption of securities	60,199,057	61,214,430
Sale and redemption of securities - Common Fund	35,260,000	70,700,000
Sale and redemption of securities - Specific Estates and Trusts	5,784,770	9,446,433
Total Receipts	101,243,827	141,360,863
DISBURSEMENTS		
Room, board and other maintenance expense	26,030,692	25,367,793
Preservation of estates	4,550,660	4,539,990
Other estate expense	2,049,174	1,984,236
Administration and passing of accounts (Note 1)	5,113,200	5,079,246
Estates and trusts released from administration	21,465,723	23,024,974
Total disbursements, before purchase of securities	59,209,449	59,996,239
Purchase of securities - Common Fund	38,263,149	76,808,477
Purchase of securities - Specific Estates and Trusts	4,022,692	4,511,056
Total Disbursements	101,495,290	141,315,772
Cash receipts over disbursements	<251,463>	45,091
Cash position at start of year	907,669	862,578
Cash position at end of year	$ 656,206	$ 907,669

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2005

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of *The Public Trustee Act*, The Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, The Public Trustee became a Special Operating Agency. The operations of The Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below in detail, to comply with the accounting requirements prescribed by Section 19 of *The Public Trustee Act*. The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because they are prepared essentially on a cash basis to reflect only the custodial activities of The Public Trustee.

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by The Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2005 Par Value	2005 Book Value	2004 Book Value
1. Term deposits & investment certificates	$ 26,100,000	$ 26,100,000	$ 26,200,000
2. Government of Canada bonds	34,900,000	35,738,404	37,061,881
3. Province of Manitoba bonds	4,500,000	4,506,678	4,504,284
4. Province of Quebec bonds	3,000,000	2,968,264	2,960,653
5. Province of Ontario bonds	15,500,000	16,193,110	12,699,539
6. Province of New Brunswick bonds	4,400,000	4,318,893	4,297,073
7. Province of Saskatchewan bonds	6,000,000	6,125,846	6,185,192
8. Manitoba Hydro & Manitoba Builder savings bonds	-0-	-0-	59,323
9. Province of British Columbia bonds	6,000,000	6,132,125	6,226,494
10. Farm Credit Canada	1,298,000	1,295,277	1,287,967
11. Canada Mortgage & Housing	19,000,000	19,465,682	19,921,285
12. Canada Housing Trust	6,300,000	6,391,474	6,456,901
	$126,998,000	$129,235,753	$127,860,592

4. Investments - Specific Estates and Trusts

	2005	2004
Term deposits, investment certificates and treasury bills –	$ 19,821,621	$ 19,091,090
Government of Canada and other bonds	10,047,793	8,629,899
Shares of capital stock and mutual funds	7,474,159	4,505,243
	$ 37,343,573	$ 32,226,232

5. Expenditures Payable to The Public Trustee

Expenditures payable to The Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by The Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of The Public Trustee.